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ABSTRACT

The Alaska Commission on Postsecondary Education's (ACPE) Institutional Relations Review seeks to provide the postsecondary schools in Alaska with information that pertains to the daily involvement with the Alaska Student Loan (ASL) Programs, Institutional Authorization, Compliance Audit functions and other related subjects. Four issues were produced in 1999. The March issue provides information on default management techniques for larger institutions, recommendations institutions can follow to help their ASL students avoid default, FAQs about student room and board funding eligibility, and ACPE updates. The June issue includes announcements of upcoming meetings and workshops, articles on how to deal with repeat courses and tips for faster processing of VACERT submissions. The September issue provides information on the new Record of Disbursement and Receipt (RD&R), delinquent borrower report enhancement, and institutional relations/commission report. The ACPE has modified the RD&R to clarify the terms of eligibility that the institution and the student must certify. The December issue features articles on the interest rate decrease for 2000-2001 Alaska Student Loans, a problem with the DOS version of VACERT, ACPE updates, and plans for VA certifying officials workshop. (JA)

## **The Institutional Relations Review, 1999**

Alaska Commission on Postsecondary Education

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# INSTITUTIONAL RELATIONS

March 1999

## Did You Know?

ACPE Institutional Relations staff are available to perform ASLP compliance training specifically for your school's staff. If you are interested in training for your school, please contact Institutional Liaison Mercedes Angerman.

## INELIGIBLE DUE TO DEFAULT RATE? WHEN DOES IT END?

A question came up during the default management workshop: If a school becomes ineligible as of January 2000, for example, and subsequently regains eligibility in January 2001, when can the school effectively begin participating again in the ASL program? Answer: If students are eligible for a loan at the time of application, they may use ASL funding to attend programs or collegiate terms which are either in progress or not yet begun as of the month that the institution regains eligibility. In the example, that month is January 2001.

**Scenario #1:** Collegiate Semester Terms: spring term starts January 12, 2001. Can students apply for an ASL for the spring 2001 term? How about for the previous fall term at the same school?

**Answer #1:** *Students can apply for the spring 2001 term because school is eligible again to participate. However, students could not retroactively receive a loan for the fall 2000 term as the school was not eligible during any portion of that term.*

**Scenario #2:** Collegiate Quarter Terms: winter term starts December 4, 2000 and ends March 30, 2001. Can students apply for an ASL for the winter 2000/2001 term?

**Answer #2:** *As long as they are eligible at the time of application, students may apply for ASL funding for the winter term in progress when the school regains ASL eligibility.*

**Scenario #3:** Non-Collegiate: A 12 week program starts January 8, 2001; can students apply for an ASL for the program?

**Answer #3:** *Students can apply for the program as it starts after the school has regained eligibility.*

**Scenario #4:** Non-Collegiate: A 12 week program starts December 4, 2000; can students apply for an ASL for the program?

**Answer #4:** *As long as they are eligible at the time of application, students may apply for ASL funding for the program that is in progress when the school regains ASL eligibility.*

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## DEFAULT MANAGEMENT TECHNIQUES FOR LARGER INSTITUTIONS

### IDEAS.....

Ask each functional division within your school (i.e., Admissions, Academics, Financial Aid, Placement, and Administration/Management) to generate a list of ways their division has an impact on or contributes to your school's default management plan (DMP). Then, ask each division to generate a list of things they expect from the other divisions as it relates to default management. Finally, get the essential players from each division together (yes, in one room!) to discuss the results.

Here are some "basic" divisional responsibilities that you may find in the default reduction initiatives of your school:

#### ADMISSIONS

1. Instill realistic expectations
2. Insure proper testing
3. Work with marketing to target strong candidates
4. Motivate, don't sell
5. Establish mentor relationships with existing students



#### ACADEMICS

1. Keep curriculum up-to-date
2. Work with advisory board to identify industry needs
3. Excite, train, and retain the student
4. Communicate with Financial Aid regarding student status changes

#### FINANCIAL AID

1. Perform quality entrance and exit interviews
2. Obtain and maintain accurate reference information
3. Counsel borrowers on their rights and responsibilities
4. Verify student status changes
5. Assist borrowers with deferments
6. Establish and maintain relationships with ACPE Due Diligence staff

#### PLACEMENT

1. Develop a relationship focused on the end goal
2. Conduct periodic surveys to determine if (and where) students are employed – share results with Financial Aid
3. Display success stories
4. Assist in the development of resume/interview skills
5. Offer lifetime placement assistance
6. Invite former students to graduation ceremonies
7. Develop a newsletter for current students and alumni

#### ADMINISTRATION/MANAGEMENT

1. Provide adequate staffing
2. Maintain necessary computer and technological resources
3. Cross train and reward staff
4. Develop plans, set goals, and monitor the performance along the way
5. Spend time with staff and ensure all the "communication" doors for each division are open

## RECOMMENDATIONS YOU CAN MAKE TO HELP YOUR ASL STUDENTS AVOID DEFAULT

Borrowers experiencing difficulty repaying their loans have a number of options, but they must pursue these options before they go into default (become 180 or more days past due). Once borrowers allow their loans to enter default, they forfeit many of their repayment options. If you know one of your students is having problems with repayment, here are some options you can suggest:

**Reduced Payment Plan:** Qualifying borrowers may extend their current repayment plan up to five years. The extension will increase the total interest paid over the life of the loan, but monthly payments will be reduced.

**Deferments:** Qualifying borrowers may postpone making payments of principal balances during eligible periods; however, *interest will continue to accrue* unless the borrower is eligible for an interest waiver. Deferment options include:

- **Full-time student deferment:** eligible students must be enrolled and attending in good standing at an eligible school.
- **Half-time student deferment:** eligible students must be enrolled and attending in good standing at an eligible school while living in Alaska. Half-time enrollment will only defer payment on loans received for half-time study.
- **Military deferment:** eligible borrowers must be serving on active duty as a member of the armed forces of the United States. Public Health Officials are also included in this deferment category.
- **Peace Corps/Domestic Service deferment:** eligible borrowers must be serving as full-time volunteers under the Peace Corps Act or the Domestic Service Act of 1973.
- **AmeriCorps deferment:** eligible borrowers must be serving as full-time volunteers under the National and Community Trust Act of 1993 (available on loans during or after the 1996-97 school year).
- **Unemployment deferment:** available to eligible borrowers, for up to 12 months (one-time only), while seeking but unable to find full-time employment in the United States. The borrower must be actively seeking employment to be eligible for this deferment.
- **Medical deferment:** available to eligible borrowers experiencing a period of temporary disability preventing schooling or employment, as certified by a competent medical authority. Eligibility for this deferment cannot be based on a condition that existed before the loan was received unless the physician certifies the condition has substantially deteriorated since receipt of the loan.
- **Internship/residency deferment:** eligible students must be completing an internship or residency program that is required as part of their program of study.
- **Hardship:** a one-time temporary break in payments for up to six months is available to eligible borrowers who are prevented or unable to work because of natural disaster, being unemployed outside the United States, personal tragedy, seasonal employment, or uncomplicated maternity (three month maximum). Payments are not due, but interest is charged. A letter of explanation or documentation must be submitted with the hardship application.

It is important that students know that the lowest-cost option is always to remain current on their loan payments. However, when circumstances make that impossible, the options above may prevent the student from entering default and experiencing all of the consequences of default, including legal

## ACPE INSTITUTIONAL DEFAULT MANAGEMENT PLAN CHECKLIST

### QUESTION

Does my school have to implement all of the activities listed on the IDMP checklist?

### ANSWER

The individual items are suggested activities that may be useful as part of a plan to reduce an institution's default rate. We recommend that you implement as many as apply to your institution.



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action, increased interest costs, collection and legal costs, PFD or wage garnishment, permanent loss of eligibility for deferment, loss of eligibility for future loans, adverse impact on credit reports, and denial of renewal of Alaska occupational licenses. Students who remain current or apply for and are awarded deferment options when appropriate will not affect an institution's default rate (unless they subsequently enter default). Students wishing to apply for any of these options should contact ACPE customer service at 1-800-441-2962.

## FAQ'S: STUDENT ROOM AND BOARD FUNDING ELIGIBILITY

**Q: When are students eligible for ASLP funding for room and board?**

A: Per AS 14.43.120(a), only a full-time student may use proceeds from an Alaska Student Loan (ASL) for books, tuition and required fees, loan origination fees, and room and board. Students who are less than full-time as defined in regulation may not use ASL proceeds for room and board.

**Q: Where is "full-time" defined in regulation?**

A: See 20 AAC 15.990(a)(5). Briefly, a full-time undergraduate collegiate student must meet the institution's requirements for good standing and the institution's definition of full-time, and be enrolled in at least 12 semester or quarter hours each academic term. A full-time non-collegiate student must be enrolled in a program that is at least six weeks long and meets at least 30 hours a week, as well as attend at least 85% of the hours required by the institution. There are different requirements for graduate collegiate students and for flight school students. Be sure and read the regulation or your Program Participation Agreement Compliance Guide for a complete definition.

**Q: So once I have established that a student is full-time, how do I find out how much the student is eligible to receive?**

A: A full-time student may receive room and board disbursements according to the institution's standard budget.

**Q: What is the institution's standard budget?**

A: The institution's standard budget is the average amount the institution tells the student and the Commission that the student can expect to pay for tuition, fees, books, room and board for any given program or academic year. Institutions provide that information to the Commission, and we maintain that record on our computer system. To update a standard budget, or to find out what the standard budget for your institution is, contact ACPE Loan Originations or ACPE Institutional Relations.

**Q: But costs are not standard for all students. For example, students who live on campus have vastly different room and board costs than students who live off campus, and students with dependents have higher costs than students without families to support.**

A: Institutions may submit a standard budget for room and board costs for various categories, including students who live with parents, students without dependents who live on campus, students with dependents who live on campus, etc. However, if an institution submits more than one standard budget category, the institution must then verify, at the time of disbursement, which category each student falls into and ensure that the student does not receive more than the standard budget for his or her category.

**Q: Why doesn't ACPE just send the school the amount the student is eligible to receive for room and board?**

A: ACPE will adjust the amount of the award per the institution's standard budget, according to whether or not the students indicate in their applications that they have dependents. ACPE cannot adjust the amount to more than the maximum award amount allowed, nor will an award be adjusted if the student requests a specific dollar amount instead of the maximum allowed. In addition, if an institution does not provide a standard budget for students who live with parents, ACPE will not award room and board funds for those students unless they provide documentation of having to pay for room and board. However, ACPE does not have access to information to verify whether or not a student will live on or off campus, or whether or not a student has received funding from any other source. These are examples of situations when the institution is required to ensure that the amount disbursed does not exceed the amount for which the student is eligible, based upon the student's standard budget category and other sources of funding.

**Q: Do I have to give the money to the student all at once?**

A: No. However, you are required to publish institutional ASL disbursement policies in your catalog, and apply those policies to all students. Thus, if you publish that room and board allowances will be disbursed to students weekly or monthly, you must follow that policy for all students. If the student withdraws, you are required to return any ASLP funds not disbursed to the Commission.

**Default Management Tip:** *Ensure that budgets for books and room and board are not inflated, and encourage students not to borrow for room and board unless they absolutely have to. Encouraging students to borrow the least possible amount helps the student avoid excessive debt as well as helps the institution avoid a higher default rate if the student does not repay that debt.*

## UPDATE: SPRING 1999 COMMISSION MEETING/ INSTITUTIONAL AUTHORIZATION MEETING

The Alaska Commission on Postsecondary Education and the Institutional Authorization Committee held their spring quarter 1999 meeting in Juneau on March 30, 1999. The appointment of two new Commission members was announced, Senator Gary Wilken and Representative Lisa Murkowski.

**Items on the Commission's agenda included:**

- Welcoming of new Commission members;
- Approval of the recommendations of the Institutional Authorization Committee;
- Approval of draft regulations to implement forgiveness provisions to the WWAMI program and to implement an appeal process for borrowers denied ASLP loans based on credit assessment;
- Executive Director's and management team's reports;
- Department of Law report;
- Commissioner reports;
- Distribution of the ACPE annual report;
- Public comment for the record.

Management reports provided updated information on continuing projects, as well as advised the Commission on activities for the upcoming quarters. A report on the impact of credit assessment noted that, as of March 1, 1999, the rate of ASLP loan denial based on credit assessment was 8.0%, and the net rate (after cosigner approval) was 3.6%, program-wide.

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## DEFERMENTS....Q & A

### QUESTION

When should I complete, sign and forward a Prior Loan Deferment Request Form to the Alaska Student Loan (ASL) office vs. when I can expect the ASL office to automatically defer the repayment status of my prior ASLs?

### ANSWER

Borrowers receiving the ASL prior to the 1998-99 loan year were required to complete, sign and forward a Prior Loan Deferment Request Form to the Alaska Student Loan office. Because of the program changes to the 1996-97 and 1997-98 loan years, the ASL office was required to have the borrower's permission (via signature on the Prior Loan Deferment Request Form) prior to altering his/her repayment schedule.

For borrowers receiving the 1998-99 ASL (and all subsequent loan years), the ASL office will, except for loans in default, automatically defer the repayment status of your prior ASLs while you remain enrolled at the same school **and** continue applying for the ASL. The ASL office, however, may not be able to automatically defer the repayment status of your prior ASLs when you: 1) no longer borrow from the ASL program; 2) change schools; or 3) change your enrollment status (e.g., from full-time to part-time). Therefore, when a deferment cannot be made automatically, you must submit a Prior Loan Deferment Request Form.

For more details regarding the deferment of your loan repayment status, please contact the Customer Service Department at 800-441-2962 or the Loan Servicing Department at 800-441-2967.

## UPCOMING EVENTS AT ACPE

The ACPE Institutional Relations staff will be working on putting together an Institutional Authorization Workshop tentatively scheduled for the summer of 1999 in Anchorage. The workshop will be designed to help explain the specific requirements in Alaska statutes and regulations as they relate to institutional authorization and the steps required of institutions seeking authorization. Watch your mailboxes for more information!

continued from page 3 \_\_\_\_\_ Update: Spring 1999 Meeting...

The next Commission meeting is scheduled in Anchorage on June 11, 1999.

The Institutional Authorization Committee spring quarter meeting was also held March 30, 1999 in Juneau. All committee members were present though the majority was connected by audio conference.

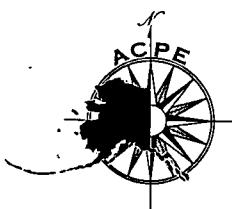
In addition to receiving the Division of Institutional Relations Director's Quarterly Report, the committee approved the renewal of authorization of Aero Tech Flight Service, Inc. No initial applications for authorization were considered but two program amendments, both for change of location, were approved – MetrOasis Advanced Training Center and the Fairbanks site for SST Travel Schools of Alaska, Inc.

Two institutions presented appeals, and the Committee approved the recommendation of approval.

Updates since the last meeting included verification of the completion of approved site visits for both Center for Employment Education's heavy equipment and Nautical Training Specialists regular site visit which removed the provisions/conditions from their approvals. All action items were approved at the full Commission meeting which met immediately following it.

The next Institutional Authorization Committee meeting is scheduled for June 10, 1999 at the Commission's Anchorage offices, one day before the next scheduled Commission meeting.

## I R   R e v i e w



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# INSTITUTIONAL REVIEW RELATIONS

June 1999

## IR WORKSHOP: PROPOSED REGULATIONS

The Alaska Commission on Postsecondary Education has proposed changes to Institutional Authorization and Alaska Student Loan Program regulations. A workshop will be held July 23, 1999 at 9:30 - 12:30 in the Anchorage Office conference room to provide you an opportunity to discuss the proposed changes. We also encourage people who cannot attend the discussion to submit in writing. Copies of the proposed regulations and instructions for submitting official public comment are available from ACPE.

Watch your mail boxes for an invitation to this important discussion!

## INSTITUTIONAL RELATIONS WELCOMES LISA HAYES

The vacant secretary position in Institutional Relations has been filled.

Lisa Hayes accepted the position and joined us in April 1999. Lisa worked in the Due Diligence section in the Juneau office since November 1998. Her husband's work transferred him to Anchorage, which provided Lisa an opportunity to join our staff.

Before Lisa's employment in the Juneau office, she worked as the Office Manager of a dental office in Juneau, and completed a program of cosmetology at a school in Butte, Montana.

Lisa will serve as the support position for Institutional Authorization and the Compliance Audit divisions.

## ALASKA STUDENT LOAN WEB REPORTS NOW AVAILABLE

The Alaska Commission on Postsecondary Education is pleased to announce that the first in a series of Web reports for Alaska Student Loan institutions are now available. The newly available reports include two disbursement reports, **Pending Disbursements** and **Issued/Returned/Canceled Disbursements**, and the **Expected Graduation Date** report.

Disbursements reports ask the user for a date range, and provide a list of disbursements scheduled for that institution during that time period. For detailed information on a specific disbursement, click on a listed borrower's SSN. The **Pending Disbursements** report lists all pending disbursements (those not already sent to an institution) for the specified period. The **Issued/Returned/Canceled Disbursements** report lists all other disbursements during the specified time period.

The **Expected Graduation Date Report** asks the user for a date range, and provides a list of students at that institution who have an expected graduation date during that time period. The expected graduation date is that date reported by the student on the promissory note/loan application. The report is sorted by the expected graduation date, and borrowers who have listed more than one expected graduation date for their loans will appear more than once.

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on the report. The report lists only those borrowers who have not yet entered repayment, not those in either a repayment or a deferment status.

To access these reports, visit ACPE's web site at [www.state.ak.us/acpe](http://www.state.ak.us/acpe). Also available at that site is application status, disbursement, and general loan information by individual borrower SSN.

We want to hear your comments about the new reports and about the school access site as a whole. If you have comments or suggestions, please email them to [acpe\\_inst@acpe.state.ak.us](mailto:acpe_inst@acpe.state.ak.us)

## COMMISSION AND COMMITTEE MEETING HELD

The Alaska Commission on Postsecondary Education conducted its summer meeting on June 11, 1999, at the Commission's Anchorage office. The meeting followed formal sessions of the Commission's Internal Audit Committee and Institutional Authorization Committee, both of which met the previous day.

A key action item decided upon at the June meeting was a motion to approve for public comment draft regulations addressing a number of Alaska Student Loan Program and Institutional Authorization issues. For more information on the proposed regulations, see the announcement of the regulations roundtable in this issue of the *IR Review*.

### OTHER AGENDA ITEMS INCLUDED:

- ✓ Approval of the recommendations of the Institutional Authorization Committee, including initial authorization of PRISM Training Center in Kenai; renewal of authorization for Gibbor School of Dog Grooming in Juneau and Shear Allusions 2000 Training Salon in Soldotna; denial of authorization of His and Hers School of Hair Styling in Wasilla; and approval of program amendments for Cimarron Tech and for Alaska Pacific University;
- ✓ Welcoming of new commissioner Frances Rose, representing the University of Alaska Board of Regents;
- ✓ Election of Scott Sterling as Commission Chair, and Bobette Bush as Vice Chair;
- ✓ Resolutions of appreciation for outgoing Commissioners LTC Roger Behringer, Ms. Rosanne Gilbert, Ms. Mary Jane Fate, Senator Randy Phillips, and Rep. Pete Kott;
- ✓ Reports from Commission members, ACPE's executive director, the ACPE management team, and the Department of Law; and
- ✓ Scheduling of the fall quarter meeting for September 10, 1999 in Anchorage, and the winter quarter meeting for December 9, 1999, also in Anchorage.

## VETERANS EDUCATION NEWS

The Western Association of Veterans Educational Specialists (WAVES) will hold their annual conference at the Hilton Hotel in Arlington, Texas, **July 14, 15, and 16**. The purpose of the conference is to provide **training to western region certifying officials** and allow a forum to exchange ideas/comments. If you have not yet received registration information and wish to attend, please contact Mercedes Angerman at 269-7980/7973. If you are planning on attending, leave the fleece at home!!

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The Image Management System (TIMS) is being phased in to the Regional Processing Office (RPO) in Muskogee. This allows a paperless file in the system which allows cases to be worked without a hardcopy file. Every piece of Chapter 30 mail coming in to the office via regular mail or VACERT will be electronically scanned.

At present, the new team, Photo Finish, is in the process of scanning existing documents. This process requires training and phasing in of equipment. Carolyn Alexander, Coach of the team, states they should be completely phased into the program by mid-May 1999. Please be patient during this transition period.

### PROBLEM WITH REPEAT COURSES?

Some schools believe they may re-certify repeat courses regardless of the number of times the student fails the course, and that it is not necessary to report the repeated "F" to VA. Other schools believe that if the original "F" grade is "forgiven", i.e., no longer counts against the student's term or semester GPA, then it must be reported to VA as a nonpunitive grade.

Which is correct? Current VA instructions allow unlimited repeats of courses when an "F" is received if it has an impact on the student's GPA at the time it was issued. If the school has a "forgiveness" policy that lets a student repeat an "F" course and earn a better grade, then the "F" is forgiven and it no longer counts against the student's GPA. In this case, the school does NOT have to report it as a nonpunitive grade, even though technically it has become one. (If it had an effect once, that's enough).

### EXAMPLES OF CORRECT REPORTING:

- ✓ Student gets an "F" which is punitive. School does not need to report it to VA. (Reporting terminations for unsatisfactory progress is different issue here.)
- ✓ Student repeats course and gets a better grade. The "F" is forgiven and becomes nonpunitive. School does not report it to VA.
- ✓ Student repeats that course and gets another "F". That "F" (the second one) does not count in the GPA and is nonpunitive at the time of assignment. The school reports that "F" to VA as nonpunitive.

NOTE: The above policies on the issuance and the effect of "F" grades may vary from school to school and state to state.

### TIPS FOR FASTER PROCESSING OF YOUR VACERT SUBMISSIONS:

When preparing an enrollment for a student returning for a new term, ***please be sure to clear out the previous enrollment information before you enter the new term.*** If not, the prior term will be certified again and the certification cannot be worked through the award stage.

**REMARKS** - Please, only put "Remarks" that are imperative to the case. All cases with "Remarks" are automatically sent to an adjudicator for review. This increases the time it takes for a veteran to get paid.

### DO NOT SHOW IN REMARKS:

- ✗ the chapter of the veteran
- ✗ confirmed enrollment

continued





- training time for undergraduate enrollments
- remedial and deficiency course number(s) and name(s) in remarks  
(Disregard the VACERT instructions on Page 4-16 of the Training Guide 22-98-2.)
- Independent Study / Open Circuit Television course(s) in remarks

DO SHOW IN REMARKS:

- parent and supplemental school information and parent school letter on file
- indicate the 1995 is on file (Please verify veteran's address if a 1995 is prepared)
- remarks needed to denote practical training
- hours taken in resident training
- hours for remedial, deficiency, and refresher course(s)
- hours for Independent Study/Open Circuit Television course(s)
- credit hours need to be certified as "12" (show only the 1 or 2 digit number) not 12.0, 12S, or 12Q.

I R R e v i e w



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# INSTITUTE OF ALASKA REVISED REGULATIONS

September 1999

## NEW RECORD OF DISBURSEMENT AND RECEIPT (RD&R)

### DOCUMENT REFORMATTED

The RD&R is the tracking form that accompanies each Alaska Student Loan warrant sent to an institution. In response to institutional requests, the Alaska Commission on Postsecondary Education (ACPE) has modified the RD&R to clarify the terms of eligibility that the institution and the student must certify. Additionally, the warrants are now **sorted by student last name** instead of social security number. A Check Disbursal Register is sent as a roster with each batch of warrants; however, all certifications must be made on the RD&R. The changes to the RD&R are summarized below.

### APPLICATION DATA

Advisory information contained on the RD&R has been altered as follows:

1. The *Date Mailed* has been removed.
2. The student's program level is now provided. Grade Level: V = Vocational/Technical/Flight; U = Undergraduate; G = Graduate.
3. School Code (FICE) is provided.
4. Loan Period is now provided. These dates represent the academic start and end dates reported by the borrower on the loan application.
5. The warrant order in the sequence of scheduled loan disbursements is now provided. Number: \_ of \_ (i.e. 1 of 2). In combination with the Loan Period dates, this information will be advisory as to the term or program for which the loan warrant was requested.
6. Reference to specific loan program is made. "This Loan Warrant is Subject to Statutes and Regulations" will alert you to the loan type (Full-Time, Half-Time, Family Education, Teacher Scholarship or Winn Brindle) and related requirements.

### INSTITUTION CERTIFICATION REQUIREMENTS

The institution must certify student eligibility at the time of disbursement, based on institution records. Each step for determining eligibility is now listed, and space provided for your staff to make the necessary certifications. Institution staff must acknowledge and sign when each requirement was verified. The staff member releasing the disbursement to the student must also sign in the certification space.

To provide a clear fund trail, institution staff must check the appropriate box above the institution certification signature space. If a warrant is being returned to ACPE, please copy the Warrant Return form on the Disbursement Instructions, complete it and enclose it with each returned warrant.



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## STUDENT CERTIFICATION REQUIREMENTS

Before releasing the funds or applying the loan to the student's account, the student's certification must also be obtained. The following certifications are required:

1. I am an Alaska resident (not applicable for Family Education Loan students);
2. I am in receipt of the loan funds or the school is retaining them to cover expenses; and
3. I do not have a status that will prevent me from repaying the loan as it becomes due.

## INSTITUTION AGREEMENT

An institution that processes a loan warrant is agreeing to abide by the statutes and regulations governing the Alaska Student Loan Programs.

## MAINTENANCE OF RD&R

Beginning in the 1999-2000 loan year, the institution is required to retain the original signed RD&R in the permanent student file. If not disbursed, the warrant and RD&R must be returned to ACPE in Juneau.

If you have any questions about these changes, please call Sheryl Hales, Loan Origination Officer, at (800) 441-2962 or email at [sheryl\\_hales@acpe.state.ak.us](mailto:sheryl_hales@acpe.state.ak.us).

## DELINQUENT BORROWER REPORT ENHANCEMENTS

Since November 1996, ACPE has mailed the monthly Delinquent Borrower by Institution Report (DBIR) to each institution's student financial aid office in an effort to provide information necessary to assist in preventing borrowers from defaulting on their Alaska student loans.

In May 1999, the DBIR was enhanced to provide schools with the Beginning Repayment Date for each borrower loan(s). Simply defined, this is the date that a borrower initially enters loan repayment status. Please note that the Beginning Repayment Date ties each loan to a respective cohort year for the purposes of calculating an annual default rate.

Beginning August 1999, the DBIR was again improved to include additional loan and borrower detail; including the current balance and eligibility status for each borrower loan, and the status of the borrower's demographic information. The Current Balance field displays the amount of principal owed by the borrower at the time the report was generated; it does not include the past due and current interest amounts accrued. The Address/Phone Okay field displays a 'YES' or 'NO,' indicating whether the displayed borrower information are legitimate address and telephone number contacts.

The Lost Eligibility field displays a 'YES' or 'NO,' indicating whether or not the borrower's loan is in a default status. This is important to know because if 'YES,' then the borrower is no longer eligible to receive further financial aid from the ACPE and is not eligible for any forgiveness or deferment benefits (for that loan only). Please note that a borrower's loan is in default (Lost Eligibility = 'YES' on the DBIR) if a loan payment is 180 or more days past due. However, a borrower who has defaulted in this case is no longer considered to be in default status for the purposes of calculating an institution's default rate if enough of the principal and interest is paid/garnished so that no payment is more than 179 days past due at the time of the 12-month snapshot.

As always, an institution may obtain further borrower information by visiting the ACPE Web site at [www.state.ak.us/acpe](http://www.state.ak.us/acpe).

## INSTITUTIONAL RELATIONS/COMMISSION REPORT

The Alaska Commission on Postsecondary Education conducted its fall quarter meeting on September 10, 1999, at the Commission's Anchorage offices. The Commission meeting was preceded by meetings of the Alaska Student Loan Corporation and the Commission's Institutional Committee.

The Commission welcomed two new members, LTC Jacque Stewart, representing the State Board of Education, and Skye Rubadeau, Student Commissioner.

Key action items decided upon at the Commission meeting were adopting amended proposed regulations governing the administration of Alaska Student Loan Programs and institutional authorization (Alaska Administrative Code, Title 20, Chapters 15 and 17). Copies of the regulations will be distributed as soon as they take effect, and Institutional Relations will host workshops to provide training on the regulations.

Other action items following adoption of the agenda and approval of the last meeting's minutes included:

- ✓ adopting regulations to implement HB 193, regarding the WWAMI medical education loan program (20 AAC, Chapter 19);
- ✓ approval of a proposed change to the Commission personnel bylaws;
- ✓ approval of the recommendations of the Institutional Authorization Committee;
- ✓ confirmation of appointments of commissioners to the Executive, Institutional Authorization, and Internal Audit Committees; and
- ✓ approval of proposed meeting dates and locations for the winter and spring quarters.

The Institutional Authorization Committee recommended approval of:

- ✓ renewal of authorization for the Central Council Tlingit and Haida Indian Tribes of Alaska's Vocational Training and Resource Center;
- ✓ initial authorization for His and Hers School of Hairstyling;
- ✓ program amendments for A Head of Time Design School (change of ownership), Career Academy (new program), and School of Integrating Shiatsu (new program); and
- ✓ change in authorization schedule for Ariel's Hair Design School.

All recommendations were approved.

Other non-action items of business for the Commission included presentation of the Executive Director's and the Management Team reports, presentation of the Department of Law report, public testimony, presentation of Commissioner reports, and general updates.

The Executive Director's report included information about the upgrade of the Corporation's bond rating and the final report of the audit on loan servicing operations, both of which were very positively received. Among other reports were presentation of unaudited financial statements and distribution of the 1999/2000 Student Financial Aid Handbook.

The next Commission meeting is scheduled for Friday, December 10, 1999, in Anchorage. The public is welcome to attend either in person or via audioconference.

## TID-BITS FROM THE VETERAN'S STATE APPROVING AGENCY

**GI Bill RATES INCREASED:** Effective October 1, 1999, educational assistance allowance increased for trainees under certain programs. This year the rate increase was based solely on the Consumer Price Index (1.6%). A summary of these rates is as follows:

### Chapter 30 Educational Assistance Allowance

Full time institutional rate = \$536

Full time apprenticeship rate = \$402 (1<sup>st</sup> 6 months),  
\$294.80 (2<sup>nd</sup> 6 months),  
\$187.60 (remainder of program)

### Chapter 1606 Selected Reserve

Full time institutional rate = \$225

Full time apprenticeship rate = \$191.25 (1<sup>st</sup> 6 months),  
\$140.25 (2<sup>nd</sup> 6 months),  
\$86.25 (remainder of program)

**Remember:** The above is a sampling of some available rates. Other criteria may apply when determining a student's eligible rate of pay. The VA determines the eligible amount for each student.

Further rate information may be found at the VA Web site [www.gibill.va.gov](http://www.gibill.va.gov).

**RECORD RETENTION:** The VA requires schools to maintain their records for three years from the date the student terminates or completes training. However, please remember that other state and/or school requirements for record retention may apply and require longer retention. It is always safer to check with all regulatory agencies before destruction of student records.

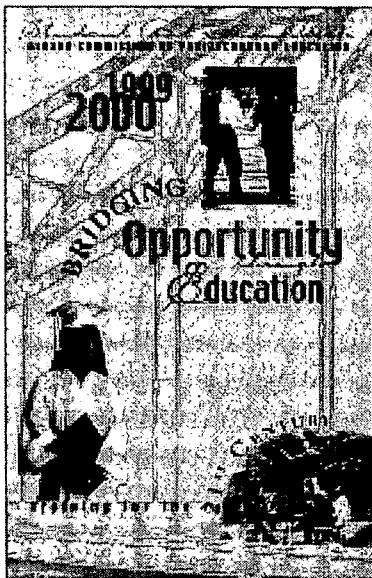
**CERTIFYING OFFICIALS:** Did you know there is a web site just for you? Please check out [www.va.gov/education/certify](http://www.va.gov/education/certify) to find the latest information as it relates to the certifying process. VA forms can also be downloaded from the site.





## THE STUDENT AID HANDBOOKS ARE IN !!

The 1999-2000 **Student Financial Aid Handbook** is complete and ready for distribution. Each school and resource provider will be mailed one copy of the handbook. If additional handbooks are needed, please contact Lori Zirkle at (907) 269-7980 or by email at [lori\\_zirkle@acpe.state.ak.us](mailto:lori_zirkle@acpe.state.ak.us)



## I R R e v i e w



ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
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# INSTITUTIONAL RELATIONS

December 1999

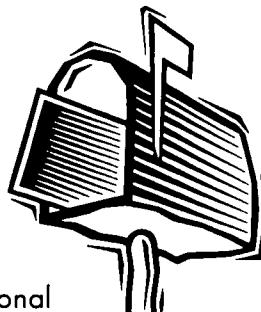
## ALASKA STUDENT LOAN 2000-2001 INTEREST RATE DROPS TO 8%

The interest rate on 2000-2001 Alaska Student Loans will be set at 8%, making it the second consecutive decrease in the ASL interest rate. The ASL interest rate is calculated annually, based upon the cost of the loan program. Factors such as increased default prevention and other oversight activities have resulted in lower program costs which can be passed on to borrowers in the form of decreased interest rates. The 8% 2000-2001 is the lowest rate since the 1993-1994 school year. The 2000-2001 rate takes effect on loans made to attend programs beginning in August 2000 (if a credit hour-based program) and September 1, 2000 (if a clock-hour program).

## WATCH YOUR MAILBOXES!

### IR WORKSHOP: NEW REGULATIONS

Watch your mailboxes for an invitation to attend an ACPE Institutional Relations Workshop to discuss how changes to regulations may affect you. A workshop is planned for February 4, 2000 to present the changes to regulations affecting the loan program and to the institutional authorization regulations. The regulations, adopted at the December 10, 1999 Commission meeting, make significant changes in institutional requirements, both for authorization and for loan administration. If there are questions you'd like to see addressed, or if you'd like a copy of the regulations, call ACPE Institutional Relations at (907) 269-7970.



### NEW INSTITUTIONAL RELATIONS STAFF

Compliance Auditor, Rebecca Nesheim has left the Commission for the Department of Revenue. Kim Spangler has recently been hired to fill that position. Kim will begin on January 3<sup>rd</sup>.

### DECEMBER COMMISSION MEETING REPORT

The Alaska Commission on Postsecondary Education conducted its winter quarter meeting on December 10, 1999, at the Commission's Anchorage offices. The full Commission meeting was preceded by a workshop for the members of the Alaska Student Loan Corporation and by a meeting of the Commission's Institutional Committee.

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The Corporation workshop was conducted on November 9, 1999 to discuss future fund management plans. Corporation Chair Mark Begich presented a summary of workshop activities, all of which stemmed from mission goals to ensure fund stability and explore appropriate growth options so that postsecondary educational loans are available to Alaska's future students.

The Institutional Authorization Committee met on December 9, 1999, and recommended the following actions, all of which were approved by the full Commission body:

- ✓ Renewal of authorization of Alaska Pacific University, Aurora North Emergency Services Academy, MetrOasis Advanced Training Center, Take Flight Alaska, Cimarron Tech, and Double Header Beauty Barber Training Center;
- ✓ Initial authorization of Iliisagvik College and Chugiak Senior Center; and
- ✓ Extension of authorization for Sheldon Jackson College to complete the current academic year.

Among the Commission's other actions was the setting of the 2000-2001 Alaska Student Loan Interest rate at 8%, a decrease from the 1999-2000 rate of 8.3%. The ASL interest rate is calculated annually, based upon program costs. The reduced rate reflects improvements to the Alaska Student Loan Corporation's portfolio.

The Commission also adopted proposed regulations governing the WICHE PSEP Loan Program and amendments to the loan program and institutional authorization regulations (Alaska Administrative Code, Title 20, Chapters 15 and 17). An ACPE *Institutional Relations Workshop* will be held on February 4, 2000 to provide training and answer questions about the changes to regulations.

Non-action items of business for the Commission included presentation of the draft 98/99 Annual Report, the draft fiscal year 2001 budget, information about GEAR-UP scholarships, and presentation of Commission member and staff reports.



The next Commission meeting is scheduled for Thursday, March 9, 2000 in Juneau. Commission meetings are open to the public to attend in person or via audioconference. Copies of meeting agendas are available from Institutional Relations.

## DOS VERSION VACERT USERS BEWARE

A problem has been discovered with the DOS version of VACERT. It is not Y2K compliant. This version does not allow you to input a 4-digit year on the enrollment line. In running the DOS version enrollment certifications against the automated processing (ECAP) system, it appears the system processes the fall enrollment but ignores the spring enrollment information.

There is a VACERT Fix for the DOS version on the VACERT Web Page, which is accessible at <http://VACert.net>. Click on the DOS Update in the upper right-hand corner of the page. Doing this will make the DOS version Y2K compliant. This would be an excellent opportunity for the DOS Version users to switch to the Windows version. There are many benefits to being on the newer version. For more information contact the RPO at 918-687-2219 or E-mail at [musvacert@vba.va.gov](mailto:musvacert@vba.va.gov).

## VA CERTIFYING OFFICIALS WORKSHOP IN PLANNING STAGES

The Alaska State Approving Agency, in conjunction with the Department of Veterans Affairs Regional Office, is planning a VA Certifying Officials Workshop for Summer 2000.

Ms. Terry Cahill, Education Liaison Representative from the Muskogee, Oklahoma office is tentatively planning on arriving in Alaska sometime in June. The schedule will include a workshop in Anchorage **AND** Fairbanks.

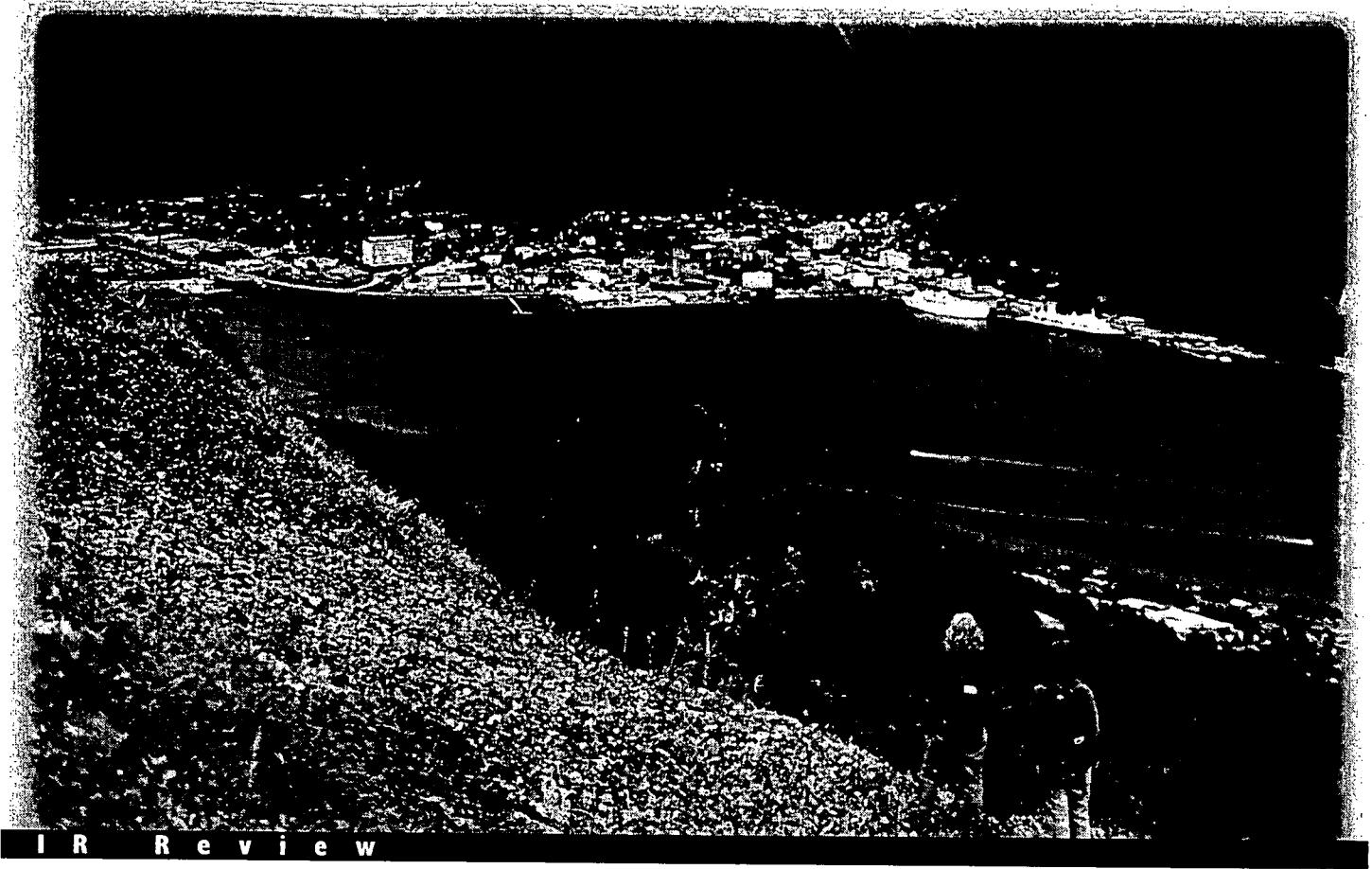
The Alaska State Approving Agency will be contacting all approved schools and training facilities as soon as a final date is determined.

If certifying officials have any specific topics they would like to discuss, it is not too early to share those. Please contact Mercedes Angerman with your ideas/concerns so that they may be incorporated into the sessions.



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I R Review



ALASKA COMMISSION ON POSTSECONDARY EDUCATION

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